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C O N F I D E N T I A L SECTION 01 OF 02 NICOSIA 000754

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DEPARTMENT FOR EUR/SE, EUR/ERA, IO/UNP

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TAGS: PREL PGOV UNFICYP CY TU SW FI SUBJECT: SWEDES' CYPRUS MUSINGS: CHANNEL THEIR INTEREST

PRODUCTIVELY

REF: NICOSIA 729

Classified By: Ambassador Ronald L. Schlicher, Reasons 1.4 (b), (d)

(C) Summary: Our UK counterparts share our skepticism about the timing of Sweden's emerging proposal on Cyprus. formal proposal at this stage runs the risk of backfiring and allowing President Papadopoulos and the other candidates in the presidential race to shift to the international community the onus for a solution, as well as the blame for the lack of progress under the UN-brokered July 8 agreement. A fresh proposal now may also further irritate divisions within the EU over Turkey's accession negotiations, which for now appear to be on track. That said, there are measures in the near-term which could encourage progress under the July 8 process, and lay the groundwork for a strong push to reach an overall Cyprus settlement following the February 2008 presidential elections. End Summary.

PROPOSED SWEDISH INITIATIVE ON CYPRUS

- (C) UK Deputy High Commissioner Rob Fenn was well aware of Swedish FM Bildt,s desire to engage more actively on the Cyprus issue, but in our September 13 meeting with him, he was surprised to learn of some of the ideas being considered by the Swedes, e.g., replacing SRSG Moller. Like us, the UK High Commission is frustrated by the lack of progress since former U/SYG Gambari brokered the July 8, 2006 agreement between President Papadopoulos and Turkish Cypriot leader Talat, and lack of results from their first meeting in 14 months on September 5. Fenn noted that this heated presidential campaign period is not the time to launch major new proposals. The Swedish initiative to bring together "like-minded" countries would likely play to Papadopoulos's political advantage, as well as highlight divisions within the EU over Turkey. Fenn expected that Turkey would soon open at least one or possibly two more chapters of the Acquis in its accession negotiations, and that the upcoming EU review of Turkey's progress did not pose any imminent threat to keeping those negotiations on track.
- 13. (C) Despite serious concerns about the outlines of the Swedish proposal, the UK does want to keep FM Bildt engaged and active on the Cyprus issue, given his strong support for Turkey's accession negotiations and his stature within the EU. A "brainstorming breakfast" on the margins of UNGA meetings might be useful. It could encourage the UNSYG to make a statement following his meeting with President Papadopoulos (and again following his separate meeting with Talat) noting the lack of progress and the need for both leaders to get serious about producing meaningful results within the July 8 framework. A brainstorming session could also look ahead to February 2008 and consider options for engaging the victor of the tight three-way presidential race

to reinvigorate negotiations for a final settlement to the Cyprus issue.

¶4. (C) Fenn advised us that the Brits were having an internal debate on whether or not to use the roll-over of UNFICYP's mandate in December to exert pressure on Papadopoulos. We told him that any attempt to fiddle with the mandate now would certainly backfire and hand Papadopoulos a huge political gift, which would let him run against the international community instead of talking with the electorate about their future. If efforts or initiatives to re-energize negotiations after presidential elections faltered next spring, then the next roll-over in June could be the right time to get serious about considering substantive changes to UNFICYP's mandate.

NEAR-TERM MEASURES

- 15. (C) In our view, there are opportunities to encourage progress on the Cyprus issue in the near-term, including:
- -- a proposed meeting between U/S Burns and President Papadopoulos on the margins of UNGA;
- -- a statement from the UNSYG following each of his meetings with Papadopoulos and Talat, exhorting them to make good and produce results from their July 8, 2006 agreement; we see such statements as aimed at not letting Talat squirm out of his July 8 commitments, while not letting the legalistic Papadopoulos suggest that the process has carved-in-stone rules which Talat is violating;
- -- a forward-looking "brainstorming session" on the margins NICOSIA 00000754 $\,$ 002 OF 002

of UNGA, urging both parties to "find a way forward" in the process, while contemplating possibilities for re-energizing negotiations following February presidential elections.

COMMENT: THE TIME WILL BE RIPE - BUT NOT NOW

- 16. (C) The Swedes, interest, ideas, and activism on Cyprus are admirable, but their timing is off. Contrary to their current views, the time for meaningful, substantive progress on the Cyprus will be especially ripe after the February presidential elections. Elements of any initiatives -- old or new -- would vary depending on which of the three candidates ends up as the winner. A UN assessment mission, a report and/or recommendations to the UN Security Council, a new SRSG, or possible changes to UNFICYP,s mandate in June 2008 are only some of the ideas which Sweden, the U.S., the UK, and other like-minded countries might consider when the local "givens" become clear.
- 17. (C) The current lack of progress on the July 8 process is putting pressure on Papadopoulos and the other two candidates to proffer their own ideas on the way ahead and differentiate themselves in this tight race. Each of them must now explain to voters how they would achieve a solution to the Cyprus issue, though by nature, they would prefer to shift the blame to Ankara, foreign interference, the U.S., and UK. Meanwhile, Talat apparently has neither the interest nor the support from Ankara to make bold or modest moves on the July 8 process until after the elections at least. For the time being, our proposed near-term measures represent the best way to lay the foundation for a renewed push on the Cyprus issue next spring. SCHLICHER